

## **CLAIM OBJECTIONS**

Claims 2-12, 14-17 and 19-20 have been objected to as depending from rejected claims. The Undersigned notes that these claims would be allowed if rewritten in independent form.

## **CLAIM REJECTIONS UNDER 35 U.S.C. § 103**

Claims 1,13 and 18 stand rejected under 35 U.S.C. §103 as being unpatentable over the article by Ernest Schell, entitled "Business 400: Not Just For Catalogues" in *Catalogue Age*, March 1991, pages 147 and 148 (reference as the "GMD system". The Examiner relies upon the GMD system in the Schell article as disclosing the invention as substantially claimed except for the automatic triggering of electronic funds transfer authorization and generation of electronic title. The Examiner relies upon the Schell article teaching of an electrical data interchange (EDI) function as suggesting the funds transfer authorization of the present invention. The Examiner also relies upon the nature of an electronic title as suggesting its use with the GMD system due to the benefits accruing from such use.

## **ARGUMENTS**

The Rejection under 35 U.S.C. §103 is respectfully traversed on ground that all of the recited elements in any of independent claims 1,13 or 18, is not disclosed or suggested in the cited GMD system. Further, the environment in which the GMD system operated would not admit to the modifications proposed by the Examiner.

The GMD system is a order-entry and inventory-tracking system used to facilitate telephone sales of catalogue items. The interface between the customer and the vendor takes place through a telephone operator having access to the GMD system, which is used to provide the catalogue data used by the customer to order the desired products. There is no computer-to-computer EMF link between the vendor and the customer as is provided with the internet system of the present invention.

The GMD system appears to be as comprehensive as possible for such programs in early 1991. This included sales tax calculations, the use of price codes, profit levels and multiple currency values. The GMD system also calculated shipping costs, kept track of inventory, and provided customer profiles and sales analysis. However, the system did not encompass authorization or initiation of electronic funds transfer. The system did not even have the capability

of handling credit card transactions (page 147, second paragraph, sixteenth line from the bottom).

It should be noted that credit card transactions, or authorization for electronic funds transfer between the catalogue customers and vendors was not possible over the internet in 1991. The necessary protocols and data bases were not in place. Further, since the customer did not use the internet in a computer-to-computer transaction (as is done in the system of the present invention), the customer was limited to dealing with a single vendor over a voice telephone connection for each transaction, and thereby limited to only the catalogue provided by a single vendor. Recourse to other vendors required separate telephone calls and separate orders. Payment using a credit card was limited to the capabilities of each vendor (for each separate telephone call). In each case, the customer was forced to give the operator the credit card information and wait for clearance before the order could be processed. However, this was not even facilitated by the GMD system since credit card transactions were not encompassed by that system.

The GMD system did calculate shipping costs to be added to the costs of the overall transaction. However, that system had no capability of selecting between shipping options. Nor did the GMD system provide any arrangements for

initiating the shipping of the goods with a carrier outside of the vendor. The GMD system was limited to generating a shipping order while maintaining inventory control. This is reasonable since the purpose of the entire system was directed to supporting a telephone operator engaged in the activity of taking orders from call-in customers over the telephone.

The international aspects referred to in the Schell articles are open to a sufficient level of interpretation so that the operation of paying international taxes and duties (as recited in the independent claims) is not taught or even suggested. For example, only the calculation of sales tax is carried out for the purpose of the vendor's own accounting system. No mention is made of foreign taxes or of import/export duties. Rather, the context of the term "import/export processing routines" (page 147, column 4) implies that this term referred to the import and export of data to be used in the GMD system.

Reference to this capability is made in the sentence describing the use of language translations for the machine involved in the particular transaction. This is included with reference to the system's SAA (System Application Architecture), indicating a sufficient degree of flexibility to accommodate more than one language for reports and displays. Since this functionality is being carried out in early 1991 (when only limited foreign language translation capabilities were

available), it is highly unlikely that the GMD system had the capability of switching from language to language for displays, but would rather be pre-programmed for a single display language for the vendor's operators while accommodating a number of different machine languages for the import and export of data. Import/export duties do not appear to be the subject of the Schell text. Based upon the language used in column 4 of page 147, this appears to be the more reasonable interpretation for the language "a complete set of import/export processing routines".

While the GMD system maintains shipping schedules, and as a result, must generate documentation such as shipping orders, there is no suggestion of an electronic title. Nor is there any suggestion that title or goods are moved between countries. The operation of moving a title from one country to another is facilitated by the use of the electronic title as described in the instant application. However, for such an electronic title to facilitate both the movement of goods and transfer of documentation, the modern internet is required. The use of the internet is the only way in which electronic title might easily move between each of the authorization points arranged along the route of travel between different countries. Where necessary, the title can be correlated to shipping lists and bills of lading. This correlation can be carried out via computer-to-computer communication as

well, thereby avoiding the costly and time-consuming operation of moving a paper title/bill of lading with the goods and transferring such documentation to authorization points, and then back to the goods. The use of such an electronic title, and all of the benefits referred to by the Examiner was simply non-existent in early 1991 when the Schell article describing the GMD software was written.

The international aspects of such software that was such a vital issue in 1991 referred to the capability of providing display languages suitable for non-English speaking vendors. It also referred to the availability of support in a wide variety of locations. This was provided for the GMD system by agents and subsidiaries supporting the software in approximately 1,100 cities worldwide. Further help had been provided by a satellite link to put users in contact with on-line assistance when needed. It should be noted that this link was between the vendor and the GMD software provider, not the customer and the vendor. Further, there is no indication that this link was carried out using the modern internet. Rather, it is more likely that this was a dedicated data link to the software manufacturer, and is certainly not the internet transaction link between customer and vendor as claimed for the present invention.

Accordingly, it is urged that the entire context of the GMD system as described in the Schell article obviates any suggestions that would be relevant to

the internet transaction system of the present invention. Accordingly, it is urged that all three independent claims (as well as the claims depending therefrom) distinguish over all of the cited art of record, and that this application is in condition for allowance.

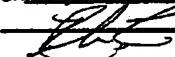
Should the Examiner have any comments, questions or suggestions, or should issues remain, the Examiner is respectfully requested to call the undersigned for prompt resolution.

Respectfully submitted,  
LEV INTELLECTUAL PROPERTY CONSULTING



Robert G. Lev  
Reg. No. 30,280

I HEREBY CERTIFY THAT THIS CORRESPONDENCE IS BEING  
TRANSMITTED VIA FACSIMILE TO: COMMISSIONER OF  
PATENTS AND TRADEMARKS, WASHINGTON, D.C. 20231,  
ON March 27, 2000



4766 Michigan Boulevard  
Youngstown, Ohio 44505  
Telephone No. (330) 759-1423  
Facsimile No. (330) 759-4865

Date : March 27, 2000